

Amendment No. 2 to HB3591

Todd
Signature of Sponsor

AMEND Senate Bill No. 3086*

House Bill No. 3591

by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION _____. The department of general services, in consultation with the department of economic and community development, shall study opportunities available to Tennessee small businesses in state contracting and the potential effect of enhancing such opportunities through utilization of monetary allowances. As a basis for such study, any allowance to be given to a Tennessee small business shall not exceed five (5%) of the lowest responsive, responsible bidder meeting specifications and shall be applied on a sliding scale in the following manner:

(1) Five percent (5%) shall be allowed for contracts up to five hundred thousand dollars (\$500,000);

(2) Three and one-half percent (3.5%) shall be allowed for contracts up to seven hundred fifty thousand dollars (\$750,000);

(3) Two and one-half percent (2.5%) shall be allowed for contracts up to one million dollars (\$1,000,000);

(4) Two percent (2%) shall be allowed for contracts that exceed one million dollars (\$1,000,000); and

(5) For construction contracts over two million dollars (\$2,000,000), a two percent (2%) allowance shall be given to the bids of general contractors who, through use of subcontractors, utilize Tennessee small businesses to perform at least twenty percent (20%) of the work subject to the contract. Any general contractor that receives a contract pursuant to this subdivision shall provide

periodic reports that the requirements of the subdivision have been met or exceeded as may be required by the terms of the contract.

Any findings and recommendations shall be included in the first annual report submitted to the governor and to each member of the general assembly pursuant to § 12-3-810 after completion of such study.